



CRATER EXPLORATION, INC.

954 East 7145 South, Suite 202
Midvale, Utah 84047

File ACT/019/017

12 May 1983

State of Utah, D.O.G.M.
c/o James W. Smith, Jr.
4241 State Office Building
Salt Lake City, Utah 84114

RE: Cato Placer San #1 ACT/019/017
Grand County, Utah

Dear Mr. Smith:

We have received your review of and additional questions about the resubmittal of the application for mining permit on the above named property.

We have carefully reviewed your questions and answered them by your paragraphs. We trust that the answers will clarify the previous information you had concerning this application.

We have also enclosed a revision of several paragraphs on form MR-1. Would you please take note of those in your files?

As soon as we agree upon the bonding amount either a cash or insurance bond will be lodged with your office.

Thank you very much for your cooperation.

Sincerely,

Wilford W. Ruf
Property Manager,
Crater Exploration, Inc.

Enclosures

RECEIVED
MAY 16 1983

DIVISION OF
OIL, GAS & MINING

RESPONSE TO QUESTIONS
ON THE RESUBMITTAL

RULE M-3(1)(c)

As you remember, at our meeting on May 2, 1983 we discussed these lines to mean the following: The dash-two-dot line, or 20' offset from the river indicated the closest distance that the ground will be disturbed during mining operations; the small dashed line or 100 foot offset from the river indicates the closest distance from the river that any tailings ponds will be excavated.

Ancillary equipment will consist of one fuel tank, set on a gravel pad; and all other mining equipment will be in mobile units, such as semi-trailers and sea-land containers; other than that there will probably be a front-end loader and a large backhoe or dragline. One power service pole as shown on the enclosed revised plat.

At this time there is no plan to build any permanent structures, such as fences and buildings.

RULE M-3(1)(h), M-10(11)

On the enclosed plat you will find contours that have been added showing that drainage tends to be away from the river. Any water that is spilled from the operation will be directed into the tailings pond.

RULE M-3(1)(h), MR-1, #15(D)

We have determined that we will discharge no water directly into the river; any surplus water will be recycled and the new water supply decreased accordingly. Due to the moving tailings pond, we will not use sealed ponds and permit the water to percolate back into the river bed. Please note this change on item MR-1, #15.

40 - 8 - 13(1)

Enclosed please find certificate of insurance from Cayias Agency.

40 - 8 -17(1) MR-1, #16

Enclosed please find copies of approved changes of water use applications.

Also we are in process of making an application to the Army Corp. of Engineers for the acre of ground that we may disturb in the wet lands.

RULE M-10(14), M-3(1)(f)

As you noticed when you were on the site, there are no distinguishable layers of soil between topsoil and subsoil. We therefore find it impractical to try to save topsoil. When the application was first submitted we thought you might prefer our separating silt and clay, if any, from the sands during the washing operation and then placing the finer material on top as topsoil; hence the discrepancies. But during our joint property inspection you suggested to replace all material in a comingled state or

approximately the way it is now. We are proceeding with this form of soil replacement.

At our meeting with you on 5/2/83, we agreed to take periodic samples of the existing soil during our operation. We will be glad to send you copies of those test results.

RULE M-10(14), M-3(1)(g)

The operation will basically consist of a washing process where we will work from one end of the original tailings pond and pump the material, after washing, to the other end of the pond. In effect there will be a continuously moving tailings pond. The presently anticipated disturbed acreage per year is projected to be 5 to 7 acres with 10 being the maximum. That means every spring there will be 5 to 10 processed acres available for agricultural reclamation. The sampling of the available soil has been done down to about 15 feet; it is our plan, however, to process as far down as economically feasible. We do not know at this time where or if there is bedrock. But if it is found during our operation the material will be replaced in like manner as described above.

Since we already determined that there is no discernible layer of topsoil storage of same will not apply.

Fertilization will be accomplished as per recommendation of the U.S. Soil Conservation Service. (See enclosed letter.)

If any burning of tamarack is done it will be done on ground that will not be disturbed by our mining operation and the ashes will then be placed back on the mined area during the final leveling operation.

RULE M-5M

Bond estimates are based on figures received from S.C.S. for an annual reclamation of ten acres.

RULE M-3 (2)(c)

See section M-3(1)(c) for type of equipment used.

All trash and waste will be removed from the site on a regular basis. No trash will be permanently deposited on the site.

RULE M-3 (1)(f)

We will work 40 acres in the first five years of operation with an option to continue on our additional 160 acres.

Test holes were dug to 10 to 15 feet in depth and located as shown on the enclosed hand drawn map. Soil composite samples to full depth are in our possession.

RULE M-10 (2)(6)

All debris and waste, etc. will be carried off as explained above.

RULE M-10 (2)(d)

Appropriate sign will be posted at the only entrance to the site.

RULE M-3 (1)(b)

Enclosed are copies of the lease assignments. However, no mining is anticipated in the river bed portions.

RULE M-3 (2)(e)

See enclosed letter from Mr. Rogers to Crater Exploration, Inc.

RULE M-10 (12)

See enclosed letter from U.S. Soil Conservation Service.

REVISIONS TO FORM MR-1
(As of 5-9-83)

- (2) Corporate address is now 954 East 7145 South, Suite 202, Midvale, Utah 84047
- (5) Rendezvous Corporation does not own the land. DeMar Perkins, Fredrick Rogers, and Ross A. Musselman, DBA DeOro, a Utah partnership, own the land.
- (11) Change address to 954 East 7145 South, Suite 202, Midvale, Utah 84047.
- (15) Sealed ponds will not be used.
- (16) 2 second feet of water has been transferred to mining. Any excess water will be used for agriculture.
- (19) Add alfalfa as climax crop.
- (20) Delete composting. Composting is not needed as indicated by meeting with state officials.
- (21) B - 25 feet is estimated by two methods (a) A cut near the river and (b) 16 test holes that were dug on 160 acres to a depth of 15 feet. No significant variation of soil strata was found.
- (23) B - After meeting with state officials, they pointed out benefits of unsegregated soils. We have altered our process to co-mingle waste streams.
 - C1 - No topsoil has been found and none will be stock piled. However, we are making our own tests to validate our assumptions.
 - C3 - These chemicals have been suggested by the Soil Conservation Service and can be changed if needed.
 - C4 - Soil Conservation Service and owners will make final levelling determinations.
- (24) Any impounded water will be used for agriculture and not returned to the river.
- (25) A - Delete Rendezvous Corporation and insert DeOro Company.
 - E - Owners and Soil conservation Service will determine crops. Crater will only assist.
- (22c) Link fence 8 feet high will be installed only if present fence is found to be insufficient for security during the operation.